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Atlantic Bancshares, Inc.

Atlantic Community Bank

**CODE OF BUSINESS CONDUCT AND ETHICS
AND
EMPLOYEE COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING
MATTERS
("WHISTLEBLOWER POLICY")**

**Originally Adopted March 2006
Reviewed Annually
Most Recent Review March 2012**

1. Introduction

Atlantic Bancshares, Inc. and its subsidiary, Atlantic Community Bank, (collectively, the "Company"), are committed to conducting all aspects of their business in accordance with the highest ethical and legal standards. To memorialize some of the core values and spirit with which the Company's Board of Directors expects the Company's business to be conducted, the Board has adopted the following Code of Business Conduct and Ethics (the "Code"). More specifically, this Code is being adopted to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely, and understandable disclosure under, and compliance with, applicable securities and corporate laws, rules and regulations of the Securities and Exchange Commission (the "SEC");
- ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets, confidential information, and customer information; and
- deter wrongdoing.

The Board intends for this Code to serve as a guide for general decision-making in a variety of circumstances which directors, officers, and employees might encounter in conducting the Company's business. The Board expects all directors, officers, and employees of the Company to be familiar with the Code and to adhere to the principles and procedures provided in the Code that apply to them.

The more detailed policies and procedures provided in the Company's employee manual are separate from and are not part of this Code. In the event of any conflict between the provisions of this Code and the Company's employee manual, the provisions of this Code will govern.

The Board of Directors recognizes that no code can describe every circumstance that might confront directors, officers, and employees with ethical and legal challenges. Therefore, the Board expects that, in addition to complying with the Code and applicable laws, rules and regulations, all employees, officers, and directors will observe the highest standards of business and personal ethics in the discharge of their assigned duties and responsibilities.

For purposes of this Code, the "Code of Ethics Contact Person" will be the Chairman of the Audit Committee of the Board of Directors.

2. Fair Dealing

The Company has a history of succeeding and growing through honest business competition. The Company does not seek competitive advantages through illegal or unethical business practices. Each director, officer, and employee should endeavor to deal fairly with the Company's customers, strategic partners, service providers, suppliers, competitors, and employees. No director, officer, or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

3. Honest and Candid Conduct

Each director, officer, and employee should always be mindful of the Company's prominence and reputation in the community. Since the success of any banking business depends on the public's trust, it is extremely important that you conduct your personal affairs in such a way as to avoid discredit or embarrassment to yourself and the Company. Your personal behavior and appearance should be governed by both common sense and good taste.

Each director, officer, and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of the principles of this Code are inconsistent with integrity.

Each director, officer, and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.
- Avoid conduct which would or could create an unsafe and unsound condition for the Company.

4. Conflicts of Interest

A “conflict of interest” occurs when an individual’s private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer, or employee takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. For example, a conflict of interest would arise if a director, officer, or employee, or a member or his or her family, receives improper personal benefits as a result of his or her position in the Company.

Some conflict of interest situations involving directors, executive officers, and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party may include the following:

- any significant ownership interest in any service provider;
- any consulting or employment relationship with any service provider, supplier, or competitor;
- any outside business activity that detracts from an individual’s ability to devote appropriate time and attention to his or her responsibilities with the Company;
- the receipt of other than nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- being in the position of supervising, reviewing, or having any influence on the job evaluation, pay, or benefit of any immediate family member; and
- selling anything to the Company or buying anything from the Company.

Anything that would present a conflict for a director, officer, or employee would likely also present a conflict if it were related to a member of his or her family. Any conflict of interest situation, including those described above, should be discussed with the Code of Ethics Contact Person.

You must not represent the Company in any transaction in which you may derive a benefit. To avoid possible conflicts of interest, loan applications submitted to you by relatives or close personal friends (or entities controlled by relatives or close personal friends) are to be submitted to other independent lending officers of equal or higher position for processing and approval. This policy also applies to the processing and approval of overdrafts.

You must not approve your own loans, act as officer on any account on which you are a signator, process your own transactions, or authorize refunds on any account on which you are a signator. This prohibition applies also to loans and accounts of relatives, close personal friends, and entities owned or controlled by any of them.

You must not accept business opportunities from persons doing business or seeking to do business with the Company if such opportunities are made available to you because of your position with the Company. You must never use your position with the Company to influence public officials or others for your personal benefit. Likewise, your employment with the Company must not be used as leverage to gain favors from customers or suppliers. If you elect to take on a second job you must get approval from the President prior to accepting the position. You may not accept employment at other financial institutions or investment companies.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided. The Company recognizes, however, that it is not practicable or desirable to avoid all relationships that could give rise to conflicts of interest. Accordingly, conflicts of interest, potential conflicts of interest, or relationships that are identified as giving rise to potential conflicts of interest that are approved as described in the following paragraph, including, but not limited to, those that have been previously disclosed in the Company's Annual Reports on Form 10-K, in the Company's proxy statements, or elsewhere, are permitted.

Furthermore, consistent with past practice, the Company will continue to disclose potential conflicts of interest in its proxy statements or annual financial statements when appropriate. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person if not previously approved as described in the following paragraph.

The Board of Directors has adopted and has long followed a policy that all transactions between the Company and our shareholders, affiliates, officers, and directors are subject to the approval of a majority of the independent and disinterested outside directors and are conducted on terms no less favorable than could be obtained from unaffiliated third parties on an arm's length basis. In addition, the Company is required to conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis, and all such transactions must be approved by the Audit Committee (or another independent body of the Board). Any transaction or relationship that is approved as required under this paragraph complies with this Code, and such approval shall not be regarded as a waiver of the Code.

5. Corporate Opportunities

Directors, officers, and employees owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Directors, officers, and employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information, or position, unless the Company has already been offered the opportunity and turned it down.

Generally, directors, officers, and employees are prohibited from using corporate property, information, or position for personal gain and from competing with the Company. Business opportunities that are presented to directors, officers, or employees of the Company either in their capacity as such or specifically for the use and benefit of the Company must be first presented to the Company before being directed elsewhere.

6. Loans and Extensions of Credit; Overdrafts.

Loans made by the Company to directors, executive officers, principal shareholders, and other affiliated persons will be made on the same terms and conditions as loans and extensions of credit made to members of the general public of comparable creditworthiness. Certain loans and extensions of credit by the Company or its subsidiaries must be approved by the Company's Board of Directors according to applicable banking regulations.

The Company must identify all directors, executive officers, principal shareholders and other affiliated persons and their related interests when making loans or extensions of credit to them. The Company must also specify the amount, type and terms of each loan or extensions of credit to these persons and to their related interests. No director, officer or other employee of the Company should knowingly overdraw his or her account with the Company, and any inadvertent overdraft must be promptly repaid.

7. Personal Investments

Employees of the Company, by the nature of their positions, must be particularly circumspect regarding investments that may appear improper to customers, regulatory authorities, or the public. You should consult with our Chief Executive Officer if you have or are considering any investments that might have even an appearance of impropriety.

You should avoid entering into transactions in which it may appear that you are improperly benefiting from your relationship with the Company. This applies also to investments by members of your immediate family.

While a complete list of such matters cannot be given, you must refrain from directly or indirectly owning or purchasing any of the following, unless specifically approved in writing by an unrelated executive officer of the Company:

- Real or personal property in which the Company has or intends to obtain an ownership interest (e.g., through purchase, foreclosure or repossession, or in a fiduciary capacity).
- Stocks, bonds, or other securities about which you have or could be expected to have confidential information (e.g., a proposed merger involving a customer).
- Trust deeds, mortgages, or chattel mortgages that create a security interest in property in which the Company has a security interest.
- An interest in any business entity that is a customer or supplier of the Company. This limitation does not apply to directors who are not officers of the Company or to ownership of the stock of any public company by an employee who does not possess confidential information about such company.
- An interest in a company for which you are the account officer.

8. Disclosure

Each director, officer, or employee involved in the Company's disclosure process, including the Chief Executive Officer, Chief Financial Officer, and President (or those persons serving in comparable positions or those persons that may be so designated from time-to-time by the Company's Chief Executive Officer, Chief Financial Officer or President), is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules.

In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition, and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely, and understandable disclosure.

9. Compliance

The Company's policy is to comply with all applicable laws, rules, and regulations. Each employee, officer, and director is personally responsible to adhere to the standards and restrictions imposed by those laws, rules, and regulations. It is against Company policy and in many circumstances illegal for a director, officer, or employee to profit from undisclosed information relating to the Company or any other company. Any director, officer, or employee may not purchase or sell any of the Company's securities while in possession of material nonpublic information relating to the Company in violation of Federal securities laws. Information is "material" if a reasonable investor would deem it to be important in deciding whether to buy, sell, or refrain from any activity regarding the Company's common stock. Information also is material if it is likely to have a significant impact on the market price of the Company's common stock.

In addition, the directors, executive officers, and financial reporting personnel of the Company must "pre-clear" any proposed transaction in the Company's stock with the Company Chief Executive Officer, who will consult with the Company's outside securities counsel to the extent necessary and appropriate.

Any director, officer, or employee who is uncertain about the legal rules involving a purchase or sale of any Company common stock should consult with the Chief Executive Officer, the Company's outside securities counsel, or the Code of Ethics Contact Person before making any such purchase or sale.

10. Reporting and Accountability

The Audit Committee is ultimately responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation.

Any director, officer, or employee who becomes aware of any existing or potential violation of this Code is required to notify the Code of Ethics Contact Person promptly. Failure to do so is itself a violation of this Code. Violations may be reported anonymously.

Each director, officer, or employee must:

- Notify the Code of Ethics Contact Person promptly of any existing or potential violation of this Code.
- Not retaliate against any other director, officer, or employee for reports of potential violations that are made in good faith.

Any employee may communicate with the Code of Ethics Contact Person in writing, addressed to the Code of Ethics Contact Person, either by fax or mail at the following address, or by phone at the following phone number:

Atlantic Bancshares, Inc. and Atlantic Community Bank
Edgar L. Woods, Audit Committee Chairman
One Sheridan Park Circle, P.O. Box 3077, Bluffton, SC 29910

All communications will be kept confidential. The reporting procedures should be used for purposes of furthering the purpose of this Code and not to report matters unrelated to this purpose.

The Audit Committee shall take all action it considers appropriate to investigate any violations reported to it. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee (and with outside corporate/securities counsel, if necessary or appropriate), in the case of a director or executive officer.

From time to time, the Company may waive some provisions of this Code. Only the Board of Directors may waive a provision of the Code for executive officers or directors of the Company. Only the Company's Chief Executive Officer may grant waivers for other employees. Approvals of conflicts of interest or other determinations made by the Board, the Chief Executive Officer, the Audit Committee, or the Code of Ethics Contact Person, in any case made in accordance with the provisions of this Code, will not be deemed a waiver of the provisions of this Code.

10. Confidentiality

In carrying out the Company's business, directors, officers, and employees often learn confidential or proprietary information about the Company, its suppliers, or customers. Directors, officers, and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Information obtained in the course of evaluating a loan application or servicing a loan, and other information about customers, suppliers, prospective customers, employees, or applicants is strictly confidential and the property of the Company. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

Financial information about the Company is not to be disclosed to anyone unless it has been included in a published report or otherwise made generally available to the public. Any questions concerning the disclosure of confidential information should be addressed to our Chief Executive Officer.

It is important that all communications with the public and the media about the Company be made only through an appropriately designated officer under carefully controlled circumstances. All media inquiries regarding the Company must be referred to our Chief Executive Officer.

Business matters about the Company and information about any customer of the Company are never to be discussed with the media or in any other public forum.

An employee's salary is considered to be a confidential matter between the employee and the Company. We respect the personal matters of our employees and do not disclose their salary to anyone other than those who have a need to know. We encourage employees to exercise the same discretion. Salary and Human Resource issues should be directed to the CFO.

12. Protection and Proper Use of Company Assets

All directors, officers, and employees should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

13. Suspicious Activity Reports.

Under the Bank Secrecy Act, banks are required to file a suspicious activity report (or "SAR") with the U.S. Treasury Department when the bank knows, suspects, or has reason to suspect that certain violations of law were attempted by, at, or through the bank. Banks within the Company's organizational family are subject to these rules.

A transaction involving \$5,000 or more, and multiple-related transactions aggregating \$5,000 or more, must be reported if, among other things, the bank knows or suspects that the transaction involves funds derived from illegal activities is intended to evade the anti-money laundering rules of the Bank Secrecy Act, or has no business or apparent lawful purpose or is not the sort of law involving Insiders must be reported on a SAR regardless of the dollar amount involved. Transactions or situations that an individual believes might be subject to the SAR requirements shall be reported to the Bank's BSA officer immediately. Transactions or situations involving an Insider that an individual believes might be subject to the SAR requirements shall be reported to the Bank's BSA officer, unless the person in question is the BSA officer then it must be reported to the Code of Ethics Contact Person immediately.

14. General

The Board of Directors believes it to be in the best interests of the Company that the directors, officers, and employees of the Company act in a manner consistent with this Code and not suffer harm for doing so. Accordingly, the Company will not take action against any director, officer, or employee of the Company for any action taken or not taken in good faith compliance with the provisions of this Code or otherwise with the approval of the appropriate person or body as contemplated hereby. Each director, officer, or employee of the Company will be entitled to rely upon the provisions of this Section. Nothing in this Code alters the employment relationship between the Company and any of its employees (whether contractual or at-will) and does not create a contractual relationship for any at-will employees.

15. Annual Disclosure

You will be asked to annually certify to the Company in writing that you have read the Code of Business and Ethics and you are in compliance. Newly hired officers and employees are required to comply with the Code immediately upon employment and must sign a certification of Code compliance.